

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 23-cv-20727-ALTMAN

RYAN BRESLOW, *et al.*,

Plaintiffs,

v.

MARK PHILLIPS, *et al.*,

Defendants.

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DECLARATION OF NICOLAS BAX

I, Nicolas Bax, make the following declaration based on my personal knowledge:

1. My name is Nick Bax. I am over the age of 18, competent to testify, and have person knowledge of the matters stated herein.
2. I am a resident of Brookline, Massachusetts.
3. I am the co-founder and Head of Research of Convex Labs. Convex Labs is a blockchain intelligence company which specializes in identifying illicit activity and emerging threats in digital assets. Convex Labs's offerings include blockchain forensics, crypto asset due diligence, trade surveillance, money laundering tracing, and digital asset theft detection.
4. In my capacity as Head of Research for Convex Labs, I conduct crypto-tracing consulting, analysis, and research. I specialize in tracing “anonymity-enhanced cryptocurrencies” and analyzing cases of cryptocurrency fraud.

5. I have been retained by Plaintiffs in this case to conduct a tracing analysis of transactions made from the DAO endowment¹ and DAO Developer² accounts in February 2023.

6. In the course of my tracing investigation on behalf of Plaintiffs, I have discovered that two of the accounts that interacted with DAO endowment funds are cryptocurrency exchange accounts (account that can be used to convert cryptocurrency to fiat currency) operated by an off-shore exchange in Ireland that has indicated it would not comply with the TRO absent an order from an Irish court.

7. The nature of cryptocurrency poses unique risks when it is within the control of individuals who are a flight risk. Cryptocurrency is a type of asset that is extremely difficult to seize—it does not reside physically anywhere, such as in a bank or a safety deposit box. Cryptocurrency also can be accessed or transferred anywhere in the world with an internet connection—all that is required is to access it is the unique key associated with the cryptocurrency, which can be written on a piece of paper, saved on a flash drive, or memorized.


8. For those reasons, an individual can access cryptocurrency in any jurisdiction in the world at any time. In the case of a cryptocurrency thief armed with the keys of cryptocurrency assets that do not belong to them, they can place themselves outside the jurisdiction of the United States and then cause those cryptocurrency assets to disappear once safely outside the reach of U.S. law enforcement, by transferring the assets to an exchange account and converting the assets to cash, which can then be transferred to any bank account in the world.

¹ 0x143cC0A996De329C1C5723Ee4F15D2a40c1203c6

² 0x2187e6a7c765777d50213346F0Fe519fCA706fbD

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 20 day of March 2023.

DocuSigned by:

55C21695C8C245B...
Nicolas Bax

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by the Court's CM/ECF system on March 20, 2023 on all counsel of record.

/s/ Jamie L. Katz
Jamie L. Katz